

Georgia Department of Community Affairs (DCA)
Office of Special Housing Initiatives
Community HOME Investment Program (CHIP)
SFY 2011 Program Description

Purpose

To expand the supply of and access to decent, safe, sanitary and affordable housing for low income households through the active participation of units of local government, public housing authorities, and non-profit housing providers to undertake program eligible activities.

Eligible Applicants

Eligible Local Government Applicants: Eligible CHIP applicants include those units of general purpose local government that have not been designated by HUD as a Participating Jurisdiction (PJ) for the HOME program. These local government PJs include: City of Albany, City of Atlanta, City of Macon, City of Savannah, Athens/Clarke County, Augusta/Richmond County, Columbus/Muscogee County, Clayton County, DeKalb County, Gwinnett County, Georgia Urban Consortium (Cobb and Cherokee Counties and the Cities of Marietta and Canton) and Fulton County Consortium (Fulton County and City of Roswell).

Under State statutes, local government CHIP applicants must comply with State planning and financial reporting laws: including:

- ◆ The Georgia Planning Act;
- ◆ The Service Delivery Act (HB 489);
- ◆ The Local Government Audit Act; and
- ◆ DCA Local Government Finance Report requirements.

In certain instances of non-compliance, these laws prohibit DCA from providing grant assistance.

Any past Applicant with a grant older than 3 years (received in the 2006 or prior Grant Year) on June 30, 2010 and with unexpended funds (both administrative and project funds) is ineligible.

For the purposes of CHIP, local government applicants receiving CHIP funds will act as a State Recipient according to the HOME Final Rule Section 92.201(b)(2).

Eligible Non-profit and Public Housing Authorities: Organizations designated with a 501(c)(3) or 501(c)(4) status or Local Public Housing Authorities which meet CHIP Program experience threshold requirements on the application due date.

For the purposes of CHIP, non-profits and public housing authorities receiving CHIP funds from DCA will act as a Sub-recipient according to the HOME Final Rule at 92.2.

Applicants must not be out of material compliance or disqualified from any program administered by DCA or under debarment, proposed debarment or suspension by a federal agency, and must meet all requirements outlined in this

Program Description, the Manuals, and the Final Rule.

Ineligible Project Locations

Eligible applicants may not implement any projects using CHIP resources which are located in the following locations (including any cities therein): City of Albany, City of Atlanta, City of Macon, City of Savannah, Athens/Clarke County, Augusta/Richmond County, Columbus/Muscogee County, Cherokee County, Clayton County, Cobb County, DeKalb County, Fulton County, and Gwinnett County

Eligible Activities

Homeowner Rehabilitation: CHIP funds may be used to assist existing low income homeowners with the repair, rehabilitation or reconstruction of their homes. Whenever CHIP funds are used for rehabilitation, the work must be performed according to the Applicants written rehabilitation standards describing the methods and materials to be used when performing rehabilitation, and the unit must be brought up to state codes and local code. The activity must meet all requirements published in the CHIP Homeowner Rehabilitation Guide.

Because of the HOME regulation requirement that units being rehabilitated must be brought up to state and local codes, Applicants may not undertake some forms of special purpose homeowner repair programs such as: weatherization programs; emergency repair programs; or handicapped accessibility programs. All of these types of repairs are eligible if they are undertaken within a more comprehensive scope of work that brings the unit up to state and local codes. The total cost of weatherization and handicapped accessibility modifications are capped at \$15,000.

All Applicants engaging in Homeowner Rehabilitation activities must record at closing and use the standardized loan documents provided in the Manual.

All Homeowner Rehabilitation Activities, including Reconstruction, will be classified as a Rehabilitation activity.

Down Payment, Closing Cost and Principal Reduction Assistance (Down Payment Assistance): CHIP funds may be used to assist low and moderate income households finance eligible affordable homes by providing funds for down payment, closing cost, pre-paid items, and principal reduction assistance.

All Down Payment Assistance Activities will be identified as either (1) Acquisition Only or (2) Acquisition and New Construction activities.

All Applicants engaging in Down Payment Assistance Activities must use the standardized loan documents provided in the Down Payment Assistance Guide.

Ineligible Activities

HOME program regulations prohibit the following CHIP activities:

1. Project reserve accounts: CHIP funds may not be used to provide project reserve accounts (except for initial operating deficit reserves) or to pay for project operating subsidies.
2. Project-based rental assistance: Use of CHIP funds for rental

assistance activities that are tied specifically to a unit are not permitted under the Federal HOME regulations.

3. Match for other Federal programs: CHIP Program funds may not be used as the “nonfederal” match for other federal programs
4. Operations or modernization of public housing: CHIP funds may not be used for the development or modernization of public housing or to provide annual contributions for the operation of public housing. (Public housing is established under the 1937 Housing Act.)
5. Properties receiving assistance under 24 CFR Part 248 (Pre-payment of Low Income Mortgages): Properties receiving assistance through the Low Income Housing Preservation and Resident Homeownership Act (LIHPRHA) or the Emergency Low Income Preservation Act (ELIHPA) are not eligible for CHIP assistance unless the CHIP assistance is provided to priority purchasers. These programs are no longer funded.
6. Double-Dipping: During the first year after the start of the Period of Affordability, the State Recipient or Sub-recipient may commit additional funds to a project. After the first year, no additional CHIP funds may be provided to a CHIP-assisted project during the relevant Period of Affordability except that a home buyer may be assisted with CHIP funds to acquire a unit that was previously assisted with CHIP funds.
7. Acquisition of Owned Property: A State Recipient or Sub-recipient may not use CHIP program funds to reimburse itself for property in its inventory or for property purchased for another purpose. However, in anticipation of a CHIP project, a State Recipient or Sub-recipient may use CHIP funds to acquire property and to reimburse itself for property acquired specifically for a CHIP project with other funds
8. Delinquent Taxes, Fees or Charges: CHIP funds may not be used to pay for delinquent taxes, fees or charges on properties to be assisted with CHIP funds.
9. Georgia Dream Single Family Development and Second Mortgage Loan Programs: CHIP funds can not be combined in any activity with DCA’s Georgia Dream Single Family Development Program or Georgia Dream Second Mortgage Loan Program.

For SFY2011, DCA will also prohibit the use of CHIP funds for the following activities:

1. New Construction or Rehabilitation of Rental Housing: CHIP funds may not be used to construct or rehabilitate (including reconstruction) housing for the purposes of leasing to an eligible household.
2. Lease Purchase: CHIP funds may not be used in housing that will be

leased to an eligible household with the intent of the household's purchase of the unit for homeownership.

3. New Construction or Rehabilitation for Sale to Households for the Purpose of Homeownership: CHIP funds may not be used to construct or rehabilitate (including reconstruction) housing for the purpose of selling the unit to an eligible household to occupy as their principal residence.
4. Tenant-Based Rental Assistance: CHIP funds may not be used to provide rental assistance to eligible households.

Maximum Award Amounts

The maximum award amount for any Application for project costs is \$300,000. DCA will award an additional 2% of the awarded project cost amount to administer the Application's activities. Therefore, the total amount of assistance requested in a single Application cannot exceed \$300,000 for project costs and \$6,000 for administrative fees.

Application proposals should be developed that are consistent with the community's needs and ability to commit and expend the total award within the timeframe required in this Program Description. Unexpended funds at the end of the grant period will be returned to DCA, at its sole and absolute discretion, and may reflect negatively in any future applications by the State Recipient or Sub-recipient and, if applicable, any associated Administrator.

Application Fee

A \$250 Application fee payable to the Georgia Housing and Finance Authority will be due at time of Application.

Manual and Related Documents

The CHIP Administration Manual, Home Buyer Assistance Guide, the Homeowner Rehabilitation Guide, Application, Application Instructions, Compliance Monitoring and Policy Memoranda are incorporated into the CHIP Program Description and can be found on DCA's web site at: <http://www.dca.ga.gov/housing/housingdevelopment/programs/homeinvestme nt.asp>.

Deadline

To participate in the SFY2011 funding cycle, **all applications must be sent certified or registered mail and postmarked by July 1, 2010 or hand delivered and received at DCA by Thursday, July 1, 2010 at 4:00 PM.**

Applicants must submit an original application and three (3) copies (set of 4). Please be sure at least 2 of the 4 copies have **original photographs**. DCA encourages the use of color photographs on all copies submitted. The mailing address is as follows:

CHIP Program Manager
Office of Special Housing Initiatives
Georgia Department of Community Affairs
60 Executive Park South
Atlanta, Georgia 30329-2231

Applications that are not postmarked or received at DCA by the required

date and time will not be accepted. Any applications received after the designated date and time or not postmarked by the designated date and time will not be considered for funding. DCA will confirm its receipt of all applications by July 15, 2010.

Determination	<p>Applications will be evaluated in accordance with minimum threshold requirements, policies as described in the Program Description and Manual, and Scoring Criteria.</p> <p>Only those Applications that meet threshold requirements will be considered for an award. Such determination will be made at DCA's sole and absolute discretion. Passage of threshold review does not guarantee an award. Grant agreements will only be made by DCA in its sole and absolute discretion.</p>
Pre-Award Costs	<p>Pre-award costs, including fees for preparation of applications to DCA (including the application fee required for submission of the CHIP Application), are ineligible costs and will not be reimbursed.</p>
Award Agreements	<p>Written agreements shall be entered into between the Georgia Housing and Finance Authority (GHFA), and the Applicant. DCA administers CHIP on behalf of GHFA.</p>
Disbursement	<p>Funds will be disbursed following guidelines established in the CHIP Administration Manual.</p>
Reporting	<p>All reporting requirements as outlined in this Program Description, the Manual and the Final Rule must be met throughout the Period of Affordability for each project.</p>
Georgia Security and Immigration Compliance Act	<p>The Georgia Security and Immigration Compliance Act requires employers to ensure that anyone they pay, whether as an employee or an independent contractor, is legally able to work. Employers who do not verify workers would not be able to deduct payments made to illegal workers on state income tax returns and would not be eligible for state contracts. To insure compliance with the Georgia Security and Immigration Compliance Act, contractors must complete the Immigration and Security Form. The State Recipient and Sub Recipient must retain copies of the completed Immigration and Security Form within (See Administration Manual) and submit to DCA.</p>
Other Requirements	<p>Award recipients must meet and remain in compliance with the Program Description, the Manual, and the Final Rule.</p>
Governing Statute	<p>All activities must be conducted in full compliance with all program statutes and the U.S. Department of Housing and Urban Development regulations published at 24 CFR Part 92. No provision of this Program Description shall be enforced if HUD or DCA determines that such provision is invalid under the federal or state statute or regulations.</p> <p>If any provision of this Program Description conflicts with any federal or state requirement and DCA determines that a modification to this document is necessary, DCA will make such revision and post the change on its web site at:</p>

<http://www.dca.ga.gov/housing/housingdevelopment/programs/homeinvestment.asp>. Such changes will be made at DCA's sole and absolute discretion.

Funds Authorized

Approximately \$3,500,000 in Federal HOME funds. A HOME funding amount final determination will be made based on the availability of Federal funds after de-obligation from underperforming communities, expected demand for CHIP assistance based on applications passing Threshold Review as well as demand on other HOME funded programs administered by DCA. Final CHIP funds authorized will be made at the sole and absolute discretion of DCA, subject to the requirements of the State's Citizen Participation Plan.

Definitions

Acquisition and New Construction

A HOME-assisted new construction activity which includes the acquisition of real property. This activity includes the acquisition of a structure that has received an initial certificate of occupancy within a one year period prior to acquisition.

Acquisition Only

An activity that involves the acquisition of a structure that received a certificate of occupancy at least 13 months before acquisition, which did not require rehabilitation, and which is being used to provide affordable housing.

Administrator

A private for-profit or non-profit organization under contract to the Applicant to administer the program on behalf of the Applicant.

Annual Income

Annual Income is defined as the gross amount of income of all adult household members (18 years of age and over) that is anticipated to be received during the coming twelve (12) month period.

Applicant

The organization submitting an application for funding to DCA for CHIP resources.

Application

All and any part of the documents submitted by an organization for CHIP funding consideration under this Program Description.

Broker

A legally organized business entity with a properly licensed business office located in the State of Georgia or in a State contiguous to and licensed in Georgia, regulated by Georgia Department of Banking and Finance, that has not been debarred, and whose principal purpose is the origination of secured single family residential mortgage loans.

CHIP – Community HOME Investment Program.

DCA's name for the HOME funds administered by DCA for eligible local governments, non-profits and public housing authorities under this program description.

CHDO – Community Housing Development Organization

A private, non-profit organization that meets a series of qualifications prescribed in the HOME regulations at 24 CFR Part 92.2. A participating jurisdiction must award at least 15 percent of its annual HOME allocation to CHDOs. CHDOs may own, develop, or sponsor HOME-financed housing.

Consolidated Plan

Developed by local and state governments with input from citizens and

community groups, the Consolidated Plan serves as a planning document for each state and community that lays out priorities and the jurisdictions 3-5 year strategy to implement HUD programs and as an application to HUD for funds under the CDBG, HOME, ESG, and HOPWA programs

<i>CFR – Code of Federal Regulations.</i>	A codification of the general and permanent rules published in the Federal Register by the Executive departments and agencies of the Federal Government.
<i>Extremely Low Income</i>	Households whose annual income does not exceed 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger household sizes.
<i>Low Income</i>	Households whose annual incomes do not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger household sizes. All households receiving CHIP funded assistance must be low income.
<i>Manufactured Housing</i>	Dwelling units of at least 320 square feet in size with a permanent chassis to assure the initial and continued transportability of the home and that carry a label by the manufacturer that the home section is built in accordance with U.S. Department of Housing and Urban Development’s construction and safety standards published in the Code of Federal Regulations at 24 CFR 3280.
<i>Modular Housing:</i>	A housing unit constructed off site in pieces (modules) using traditional building materials that meet or exceed all applicable State and local building codes, then transported to the building site where the modules are joined to form a complete housing unit on a slab or foundation. Modular homes are built following the standards of the State of Georgia’s Industrialized Building Program. For purposes of the CHIP program, modular housing is considered “stick-built” housing.
<i>New Construction</i>	An activity that involves either (a) addition of units outside the existing walls of the structure and (b) the construction of a new residential unit.
<i>Participating Jurisdiction (PJ)</i>	A jurisdiction that has been designated by HUD for the receipt of HOME funds. GHFA is the PJ for the State of Georgia.
<i>PDC – Project Delivery Cost</i>	The fee allowed under the CHIP program as an incentive for an Applicant to develop and finance a CHIP project. The Project Delivery Cost is considered a project soft cost. The fee is structured as a maximum allowable fee and is not a flat fee per HUD requirements.
<i>Period of Affordability</i>	The length of time which restrictions on the use and occupancy of the CHIP-assisted property are placed based on the requirements of the federal HOME regulations at 24 CFR Part 92 and this Program Description.
<i>PHA – Public Housing Authority</i>	An organization established under State law to develop and operate public housing using federal assistance.

<i>Project</i>	Project means a site or sites together with any buildings (including manufactured housing units) located on the site(s) that are under common ownership, management and financing, that are to be assisted with the HOME (CHIP) funds as a single undertaking. The “project” includes all of the activities associated with the sites and buildings.
<i>Reconstruction</i>	All activities that involve the demolition of an existing unit and the construction of a new unit on the same lot such that the total number of units on the lot does not change. “Reconstruction” is considered a “rehabilitation” activity.
<i>RC – Regional Commission</i>	An agency established under the Official Code of Georgia at 50-8-30 to develop, promote, and assist in establishing coordinated and comprehensive land use, environmental, transportation, and historic preservation planning in the state, to assist local governments to participate in an orderly process for coordinated and comprehensive planning, to assist local governments to prepare and implement comprehensive plans which will develop and promote the essential public interests of the state and its citizens and advance positive governmental relations among the state, regional, and local levels, and to prepare and implement comprehensive regional plans which will develop and promote the essential public interests of the state and its citizens.
<i>Rehabilitation</i>	Any activity that involves one of the following: (a) repairs or improvement of the residential unit(s) to bring the unit(s) up to the property standards required by 24 CFR 251; (b) the reconfiguration of a structure to reduce the total units in order to increase the number of large family units; (c) the addition of a room or rooms outside the existing walls for the purposes of meeting occupancy or code standards and (d) the adding of a unit or units within the existing structure. Reconstruction is considered rehabilitation under this definition.
<i>RFP – Request for Proposals.</i>	Part of a method used by CHIP Applicants to procure Administrators.
<i>RFQ – Request for Qualifications</i>	Part of a method used by CHIP Applicants to procure professional or construction services.
<i>Section 8 Annual Income Method</i>	The method selected by DCA as allowed under the HOME regulations to determine income eligibility under the CHIP program. This method is also known as the Part 5 method as defined in 24 CFR Part 5.
<i>SR – State Recipient</i>	A State PJ can award their HOME funds to units of local governments to administer HOME funds. Any unit of local government designated by a State to receive HOME funds is called a “State Recipient.” The State is responsible for ensuring that all State Recipients allocated CHIP funds are used in accordance with the HOME regulations and other applicable laws.
<i>Sub-recipient</i>	A public agency or non-profit organization selected by a PJ to administer all or a part of the PJ’s HOME program. A public agency or nonprofit organization that receives HOME funds solely as a developer or owner of

housing is not a Sub-recipient. The State is responsible for ensuring that all Sub-recipients allocated CHIP funds are used in accordance with the HOME regulations and other applicable laws.

Very Low Income

Households whose annual incomes do not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger households.

Visitability

The features in home construction which provide basic access in order to permit people with mobility impairments to live in and visit the unit.

**Activity Threshold
Criteria**

Each activity carried out by the State Recipient or Sub-recipient must meet all the criteria listed below.

Form of Subsidy

Down Payment Assistance:

All funds made available to cover all or a portion of the down payment, closing costs, pre-paid items, and principal reduction for a Down Payment Assistance activity will be made available to the eligible borrowers as a 0% deferred payment loan payable to the Georgia Housing and Finance Authority only when the home is sold, refinanced or no longer being used for the borrower's principal residence. The amount of funds to be returned will be determined based on the Recapture Requirements for a Down Payment Assistance Activity.

All funds made available for project delivery costs of the activity will be made as a grant to the home buyer and paid to the Applicant on behalf of the home buyer. Project delivery costs granted to the project will not be included in the calculation of the recapture amount.

Homeowner Rehabilitation Assistance:

All construction hard costs, except those associated with the identification mitigation, abatement, or clearance of lead based paint issues, will be made available to the homeowner as a 0% deferred payment second mortgage loan payable only when the home is sold, refinanced, or no longer used for their principal residence per the Recapture Requirements for Homeowner Rehabilitation Activities. The term of the second mortgage loan will equal the Period of Affordability established for the assistance amount to the homeowner.

All costs associated with the identification, mitigation, abatement or clearance of lead-based paint will be made available to the homeowner as a grant.

All funds made available for project delivery costs of the activity will be made as a grant to the homeowner and paid to the State Recipient or Sub-recipient on behalf of the homeowner.

Amount of Subsidy

Down Payment Assistance:

Each Applicant may propose a total assistance amount to be provided to the

borrower of between \$6,500 and \$14,999. This amount must include the eligible Project Delivery Fee. All Down Payment Assistance Activities must be made available in one of the two forms:

1. As a single flat total dollar amount provided to every home buyer receiving CHIP assistance.
2. As a flat dollar amount provided to every home buyer with a household income within a specified tier based on the AMI Percentage for the county. The Applicant may propose up to three tiers of assistance within their program. For instance, Community A may propose the following tiered assistance amounts:
 - Households Over 70% of AMI: \$6,500
 - Households between 60% and 70% of AMI: \$9,000
 - Households Less than 60% AMI: \$14,999

The Application to DCA for CHIP assistance will identify as part of the Applicant's program design the down payment assistance structure that meets CHIP funding requirements.

Homeowner Rehabilitation Assistance- Stick-built or Modular Housing:

The total amount of CHIP assistance provided for any single owner-occupied, stick-built or Modular Housing unit being rehabilitated must not be less than \$1,000 or exceed \$48,500, including all lead costs and all project delivery costs. Under special circumstances, DCA may waive this limit upon the request of the State Recipient or Sub-recipient; however, in no case will the amount of CHIP assistance exceed the per unit dollar limits established under Section 221(d)3(ii) of the National Affordable Housing Act as set forth for elevator-type structures that apply to the area in which the housing is located. For the entire State of Georgia, the maximum amount of CHIP subsidy per unit cannot exceed:

<u>Maximum Amount of Subsidy</u>	<u>No. of Bedrooms Per Unit</u>
\$102,155	0 BR Unit
\$117,100	1 BR Unit
\$142,395	2 BR Unit
\$184,211	3 BR Unit
\$202,209	4 BR Unit

Before committing funds to a project, the State Recipient or Sub-recipient must evaluate the project in accordance with locally adopted guidelines and may not invest any more CHIP funds, in combination with any other governmental assistance, than is necessary to provide affordable housing.

Homeowner Rehabilitation Activity – Manufactured Homes

The total amount of CHIP assistance provided for any single owner-occupied, unit of Manufactured Housing unit being rehabilitated must not be less than \$1,000 or exceed \$7,750, including all project delivery costs.

Property Types

1. **Property Type(s) for Down Payment Assistance Activities** – Eligible properties must be a one unit single family dwelling (attached or detached) designed for residential use, condominiums, or planned unit developments approved by Fannie Mae, Freddie Mac, or the Mortgage Insurer, townhomes, and modular homes that are located in an area consistent with such use and intended for owner-occupancy.

Manufactured Housing is not eligible for CHIP financed Down Payment Assistance. Modular Housing is eligible if the home bears the “DCA insignia” and meets the standards of the State of Georgia’s Industrialized Building Program.

Properties constructed prior to 1978 where lead paint hazards are detected upon visual inspection by the State Recipient or Sub-recipient may not be purchased using CHIP-funded assistance.

2. **Property Type(s) for Homeowner Rehabilitation Activities** - To be eligible for CHIP assistance, a property must be occupied by an income eligible homeowner and be the owner’s principal residence. The eligible property types are:
 - a. Traditional single family housing (Stick-built or Modular) that is owned in fee simple. (This housing may contain one to four dwelling units.);
 - b. A condominium unit (Stick-built or Modular);
 - c. A cooperative unit or unit in a mutual housing project (Stick-built or Modular); and,
 - d. Manufactured Housing that is (1) on land owned by the homeowner or having a lease in the name of the homeowner extending beyond the required Period of Affordability and (2) on a permanent foundation.

Property Value

Down Payment Assistance Projects:

In compliance with Section 203(b) of the National Housing Act, the Maximum Purchase Price for existing or newly constructed properties must be equal to or less than the following amounts based on the project’s location:

Atlanta MSA: \$250,000

All Counties Outside the Atlanta MSA: \$200,000

Purchase Price is defined as the total cost to acquire the completed residential unit excluding financing costs such as closing costs and pre-paid items.

Homeowner Rehabilitation Projects:

In compliance with Section 203(b) of the National Housing Act, the After-Rehabilitation Value of a property assisted with CHIP funds cannot exceed the following amounts based on the location of the property:

Atlanta MSA: \$250,000

All Counties Outside the Atlanta MSA: \$200,000

While the HOME regulation removed the requirement for an appraisal, Applicants must use a reasonable method to determine the After-Rehabilitation Value of the property. Project files must contain the estimate of value and document the basis for the value estimates. Acceptable methods include:

1. Estimate of value by the State Recipient or Sub-recipient provided the project file contains documentation as to the basis for the value estimate;
2. Appraisals, whether prepared by a licensed fee appraiser or by a staff appraiser of the State Recipient or Sub-recipient, provided the project file documents the appraisal approach used; and
3. A tax assessment for a comparable property located in the same neighborhood may be used to establish the after-rehabilitation value **if** the assessment is current and accurately reflects market value **after** rehabilitation.

Note: In order to ensure that the “After-Rehabilitation Value” falls within the HUD prescribed maximum value limitations, the After-Rehabilitation Value must be established prior to any rehabilitation work being performed utilizing one of the acceptable methods described above.

*Property Standards -
General*

CHIP funded properties must meet certain minimum property standards. The HOME regulation requires that all housing that is rehabilitated or financed with HOME funds must meet all applicable local codes (including state codes), rehabilitation standards, ordinances, and zoning ordinances at the time of project completion.

Since the State of Georgia has adopted mandatory residential construction codes, they are applicable to the CHIP program whether or not the local government enforces the codes. There are no exceptions on meeting these requirements for construction of CHIP assisted homes. The State of Georgia has adopted fourteen “state minimum standard codes.” Of the fourteen minimum standard codes, there are eight (8) mandatory codes. Of the eight (8) mandatory codes, four (4) apply to all residential construction. These four mandatory codes are:

- ◆ National Electric Code;
- ◆ CABO One-and-Two Family Dwelling Code (International Residential Code);
- ◆ 2006 Edition of the International Energy Conservation Code; and
- ◆ International Plumbing Code.

Regarding the above listed codes, please note that the CABO One-and-Two Family Dwelling Code is now called the International Residential Code for One-and-Two Family Dwellings, 2006 Edition, published by the Southern Building Code Congress International, Inc. (International Code Council). When used in conjunction with the Georgia Amendments, this code

constitutes the official Georgia Minimum Standard One and Two Family Dwelling Code.

Please note that the chapters regarding Plumbing (Chapters 25 through 32) were deleted by the State of Georgia from the CABO/International Residential Code for One-and-Two Family Dwellings and the State substituted the Georgia State Minimum Standard Plumbing Code (International Plumbing Code).

Please also note that the chapters regarding Electrical (Chapters 33 through 42) were deleted by the State of Georgia from the CABO/International Residential Code for One-and-Two Family Dwellings and the State substituted for electrical requirements the Georgia State Minimum Electrical Code (National Electric Code).

The DCA Board specifically omitted the plumbing and electrical requirements of the International Residential Code for One-and-Two Family Dwellings. Therefore, the plumbing requirements of the International Plumbing Code and the electrical requirements of the National Electric Code must be used for one and two family dwelling construction.

On July 1, 2004, the Uniform Codes Act was revised to make the above referenced four construction codes mandatory as part of the Georgia State Minimum Standard Codes. All of the above codes have Georgia amendments.

The Uniform Codes Act also made the following optional codes available for local government adoption and enforcement. Local governments choosing to enforce either of the optional codes must adopt the code(s) they wish to enforce, as well as the administrative procedures and penalties. The permissive codes for one and two-family dwellings are:

International Property Maintenance Code, 2006 Edition; and,
International Existing Building Code, 2006 Edition

Please see Rehabilitation Guide and also access DCA's web site for a copy of the State Minimum Property Codes at:

<http://www.dca.ga.gov/development/ConstructionCodes/index.asp>.

This web site will also provide information to determine if a specific local government has adopted either of the permissive codes and filed the adoption with DCA as required by the Official Code of Georgia Annotated

*Property Standards for
Homeowner
Rehabilitation*

The HOME regulations require that all housing that is rehabilitated with HOME funds must meet all applicable local codes (including state codes) rehabilitation standards, ordinances, and zoning ordinances at the time of project completion.

The HOME regulations also require that the Applicant have written standards for rehabilitation that ensure that the CHIP-assisted housing is decent, safe and sanitary.

It should be noted that the State of Georgia omitted Appendix J of the International Residential Code covering “Existing Buildings” in determining the Georgia Minimum Standard One-and-Two Family Dwelling Code.

The HOME regulations also require, in the absence of a local (or state) code for rehabilitation, that CHIP-assisted rehabilitation must meet, as applicable, either one of the three model codes:

Uniform Building Code (ICBO)
National Building Code (BOCA)
Standard (Southern) Building Code (SBCCI)

or

Council of American Building Officials (CABO) one and two family code

or

The FHA Minimum Property Standards (MPS) in 24 CFR 200.925 (for multifamily) and 200.926 (for single family).

Since the first four codes listed above, i.e. the ICBO, BOCA, SBCCI and the CABO, have all now been combined into the International Residential Code, Applicants have a choice to either rehabilitate a single family CHIP-assisted home up to the:

International Residential Code;

or

FHA Minimum Property Standards at 24 CFR 200.926

or

State of Georgia locally adopted “permissive codes”

FHA Minimum Property Standards

Not only have the four model codes referenced above merged into the International Residential Code, the FHA Minimum Property Standards (MPS) in 24 CFR 200.926 are no longer maintained by HUD as separate Minimum Property Standards. Instead HUD has accepted the model building codes, including over 250 referenced standards and local building codes in lieu of separate and prescriptive HUD standards, with one major difference.

The major area of difference between the HUD Minimum Property Standards and the national model codes is in the area of durability requirements. Since homes and projects funded by FHA-insured mortgages are typically the collateral for these loans and their lack of durability can increase HUD/FHA’s financial risk in the event of default, HUD/FHA determined that the national

model codes did not contain any minimum property requirements for the durability of such items as doors, windows, gutters, downspouts, wall coverings, kitchen cabinets and carpeting. The HUD/FHA MPS now includes minimum standards for these, and other items, to ensure that the value of an FHA insured home is not reduced by the deterioration of these components.

For information regarding the HUD/FHA Minimum Property Standards please access HUD's web address at:
<http://www.hud.gov/offices/hsg/ramh/mps/mhsmppsp.cfm>.

Therefore, based on the merger of these national model codes in the HOME regulations, including CABO into the International Residential Code, as well as the acceptance by HUD of the national model codes by reference including the additional durability requirements, single family homes being rehabilitated with CHIP assistance must meet at project completion either the:

International Residential Code including Appendix J, "Existing Buildings"

or

FHA Minimum Property Standards at 24 CFR 200.926

or

One of the State of Georgia permissive codes (International Property Maintenance Code, 2006 Edition or International Existing Building Code, 2006 Edition if adopted by the local government and filed with DCA as required by the Official Code of Georgia Annotated.

The locally adopted CHIP program policies and procedures must set forth the specific code that CHIP assisted homeowner rehabilitation projects will meet at project completion. If the local government in which the housing to be assisted is located has adopted either one of the permissive codes (International Property Maintenance Code or International Existing Building Code), then the locally adopted CHIP program policies can set forth their locally adopted permissive code in lieu of the International Residential Code or the FHA Minimum Property Standards.

All Applicants must employ a set of written rehabilitation standards for all housing interior, exterior, and systems repairs. The written rehabilitation standards will describe the methods and materials to be used when performing rehabilitation. The written rehabilitation standards must meet all applicable local and state codes, rehabilitation standards, ordinances and zoning ordinances. All CHIP-assisted projects must meet the Applicant's written rehabilitation standards. The Applicant's written rehabilitation standards must be set forth in the locally adopted CHIP program policies and procedures as an exhibit.

Manufactured housing that is rehabilitated using CHIP funds must meet the Applicant's CHIP program adopted code requirements as set forth in the

locally adopted CHIP program policies and procedures and the Applicant's written rehabilitation standards.

*Property Standards for
Down Payment
Assistance*

State Recipients and Sub-recipients assisting households with Down Payment Activities must ensure that the property meets all applicable State and local housing quality standards and, if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR 982.401 (Section 8 Housing Quality Standards).

*Lead-Based Paint
Requirements for
Homeowner
Rehabilitation Activities*

Based on the Lead-Based Paint Poisoning Prevention Act--(42 U.S.C. 4831-5 et al) and HUD implementing regulations at 24 CFR part 35, whenever housing built before 1978 is under consideration for CHIP funding, the State Recipient and Sub-recipient must follow HUD's regulation, "Requirements for Notification, Evaluation and Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance." The regulations can be accessed at: <http://www.hud.gov/offices/lead/>.

Please note that changes to the Lead Safe Housing Rule effective April 22, 2010, have incorporated one major change – Renovation firms must be certified. At least one certified renovator must be at the job or available when work is being done. The certified renovator may be a certified Lead Based Paint abatement supervisor who has completed the 4-hour Renovation, Repair and Painting Rule (RRP) refresher course.

DCA will not utilize its Community Development Block Grant funds to pay for lead based testing and inspections on houses where CHIP funds will not be invested unless approved by DCA on a unit by unit basis at DCA's sole and absolute discretion.

Historic Preservation

State Recipients

Historic Housing Rehabilitation and New Construction in Historic Districts. Beginning in 1997, DCA and the State Historic Preservation Office (SHPO) began operating under a Programmatic Agreement for Historic Preservation of Affordable Housing. The Programmatic Agreement exempts certain rehabilitation activities in potentially historic (over 50 years old) units – and, therefore no Historic Review by SHPO is necessary. When more extensive work is proposed for a potentially historic unit, the following process must be utilized:

1. The State Recipient must hire a local Preservation Professional to determine eligibility of the unit for listing.
2. If the unit is deemed eligible for listing, the State Recipient can work with the Preservation Professional to carry out more extensive rehabilitation, in accordance with standard approaches provided in the Agreement, than may be permitted by the Secretary of Interior's Standards.
4. If planned work exceeds that deemed acceptable for continued eligibility, the Preservation Professional can work with the State

Recipient through a Standard Mitigation Process that greatly streamlines the normal 106 Review Process.

NOTE: If a project is located in Burke, Chatham, Effingham, Richmond, or Screven counties will involve ground disturbance, then the State Recipient must receive clearance from the Tribal Historic Preservation Office (THPO).

By virtue of signing the CHIP Agreement, each State Recipient agrees to comply with the terms of the Programmatic Agreement and, if applicable, the Historic Review. A copy of the Programmatic Agreement is included in the CHIP Administration Manual.

Sub-recipients:

Nonprofits and public housing authorities are not covered under the Programmatic Agreement and, therefore, will be subject to a Historic Review by SHPO. The Sub-recipient must use the following process:

1. The Sub-recipient must hire a local Preservation Professional to determine eligibility of the unit for listing.
2. If the unit is deemed eligible for listing, the Sub-recipient must work with the Preservation Professional to carry out more extensive rehabilitation, in accordance with standard approaches provided in the Agreement, than may be permitted by the Secretary of Interior's Standards.
3. If planned work exceeds that deemed acceptable for continued eligibility, the Preservation Professional must work with the Sub-recipient through a Standard Mitigation Process that greatly streamlines the normal 106 Review Process.
4. The Sub-recipient must submit documentation showing a unit's determination as either eligible or ineligible for the listing to SHPO and receive a letter of determination from SHPO prior to the commencement of any work that will have a physical impact on the property.

NOTE: If a project is located in Burke, Chatham, Effingham, Richmond, or Screven counties will involve ground disturbance, then the Sub-recipient must notify DCA to receive clearance from the Tribal Historic Preservation Office (THPO).

By virtue of signing the CHIP Agreement, each Sub-recipient agrees to comply with the terms of the Historic Review.

Written Rehabilitation Standards

The HOME final rule requires each State Recipient and Sub-recipient to adopt written rehabilitation standards for rehabilitation work assisted with HOME funds. This section will assist Applicants understand:

- 1) Written rehabilitation standards;

- 2) Their function in administering CHIP funds; and,
- 3) How written rehabilitation standards differ from property standards.

“Property Standards” Defined:

State and local codes are the property standards or the housing quality standards used to determine whether a housing unit is decent, safe and sanitary. They are the standards against which the actual physical condition of a property is judged in the inspection process. Using the property standard as a baseline, a housing inspector determines the scope of rehabilitation necessary to address the physical deficiencies of the unit and to bring the unit up to the standard or code(s).

The HOME Final Rule also requires that the standard for rehabilitation be included in the written agreement between the State Recipient or Sub-recipient and the homeowner.

“Written Rehabilitation Standards” Defined:

Written rehabilitation standards establish the standards for the actual rehabilitation work that will bring substandard housing into compliance with the property standard or code(s). The written rehabilitation standards prescribe the method and materials to be used in the rehabilitation of the property. The written rehabilitation standards are sometimes referred to as “specs” or “specifications” and include details such as the grade of lumber to be used, the number of nails per square foot, the type of material that can or cannot be used for doors serving as fire exits, the distribution pattern and material of roofing tiles, etc.

The written rehabilitation standards provide a common basis for contractor bids. This commonality is particularly important because by ensuring that all contractors are bidding on work using identical methods and materials, the State Recipient or Sub-recipient can make an accurate determination of the cost reasonableness of bids. By holding all contractors to a single rehabilitation standard, consistent and high quality rehabilitation is assured.

Applicants must adhere to the methods and materials set forth in the locally adopted written rehabilitation standards as set forth in the CHIP Manuals.

Low Income Benefit

CHIP is designed to provide affordable housing to extremely low, very low, and low income households. Therefore, the program targets resources to eligible households and establishes applicant or beneficiary eligibility.

Each State Recipient and Sub-recipient must use one hundred (100) percent of its CHIP funds to assist households with incomes at or below eighty (80) percent of the area median income (AMI) based on household size for the county within which the property is located, as determined by HUD. Please see the Administration Manual for the HUD HOME Program Income Limits. However, programs may target their assistance to individuals at the extremely low, very low or other income designation as part of their program design.

Period of Affordability

To ensure that CHIP investments yield affordable housing over the long term, DCA imposes occupancy requirements over the length of the Period of Affordability. Based on HUD requirements, the Period of Affordability begins on the date that the project is marked as completed in HUD's Integrated Disbursement and Information System (IDIS).

The length of the affordability period depends on the amount of CHIP investment in the property and the nature of the activity funded. The amount of CHIP investment includes all funds invested in a unit, including Project Delivery Fees.

The table below provides the required affordability periods:

<u>CHIP Investment Per Unit</u>	<u>Length of Affordability Period</u>
Less than \$15,000	6 years
\$15,000 - \$40,000	11 years
More than \$40,000	16 years

DCA has adopted a slightly longer Period of Affordability Requirement than stated in the HOME Final Rule in order to allow for sufficient administrative processing time following the closure of the loan and completion of the activity in IDIS.

CHIP funds that are invested in projects that do not meet the established Period of Affordability requirements will be subject to recapture based on policies outlined in this Program Description and the Manual.

Other Federal and State Requirements

In addition to the basic HOME rules previously outlined, a number of other federal and state regulations must be adhered to in the course of administering CHIP funds. The certifying official of the Applicant is responsible for ensuring that the proposed program, activities, goals and timetables are in compliance with all federal and state laws, regulations and executive orders. The major applicable laws, regulations and executive orders include, but are not limited to, the areas outlined below:

Non-Discrimination and Equal Access:

Applicants must take measures to ensure non-discriminatory treatment, outreach and access to CHIP program resources. This applies to employment and contracting, as well as to marketing and selection of program participants. DCA does not discriminate based on disability in the administration of Federal HOME funds allocated to CHIP. Please see the Administration Manual for DCA's Notice to the Public, Nondiscriminatory Policy Based on Disability.

Fair Housing and Equal Opportunity:

Applicants and their activities must comply with all of the federal laws, executive orders and regulations pertaining to fair housing and equal opportunity listed below:

- Title VI of the Civil Rights Act of 1964, As Amended (42U.S.C. 2000d et seq.);
- The Fair Housing Act (41 U.S.C. 3601-3620);
- Section 104(b) (2) of the Fair Housing Act;
- Fair Housing Act implementing regulations for HUD programs at 24 CFR Part 100-115;
- Equal Opportunity in Housing (Executive Order 11063, As Amended by Executive Order 12259);
- Equal Opportunity in Housing Regulations at 24 CFR Part 107;
- Age Discrimination Act of 1975, As Amended (42 U.S.C. 6101);
- Title VIII of Civil Rights Act of 1968 (2 U.S.C. 3601 et seq. and implementing regulations, as amended;
- Affirmative Marketing in accordance with the HOME Investment Partnerships Act and 24 CFR 92.351 and per DCA policy for all CHIP awards; and,
- Georgia Fair Lending Act.

Accessibility for Individuals with Disabilities:

The HOME regulations require adherence to the following four regulations governing the accessibility of federally assisted buildings, facilities and programs:

- Americans with Disabilities Act (42 U.S.C. 121310);
- 47 U.S.C. 155, 201, 218 and 225;
- Fair Housing Act implementing regulations at 24 CFR 100.205 for design and construction requirements of multi-family dwellings; and,
- Section 504 of the Rehabilitation Act of 1973.

In addition, the State of Georgia requires compliance with the following law for all new construction of housing financed by DCA:

- 8-3-172 of the Official Code of Georgia – Funding for single family housing, construction requirements.

Employment and Contracting:

- HOME regulations require that Applicants comply with the regulations listed below governing employment and contracting opportunities, including equal opportunity, labor requirements and contracting/procurement procedures.

Equal Opportunity:

- Equal Employment Opportunity Executive Order 11246, As Amended, and implementing regulations at 41 CFR Part 60;
- Section 3 of the Housing and Urban Development Act of 1968; and
- Minority and Women’s Business Enterprise under Executive Orders 11625, 12432, and 12138 and Section 281 of the National Affordable Housing Act and 24 CFR 85.36.

Labor Requirements:

- Davis Bacon and Related Acts (40 U.S.C. 276 (A) – 7);
- Contract Work Hours and Safety Standards Act, As Amended (40 U.S.C. 327 – 333);
- Copeland (Anti-Kickback) Act (40 U.S.C. 276 c); and
- Fair Labor Standards Act of 1938, As Amended (29 U.S.C. 201 et seq.).

Contracting and Procurement:

- Procurement Standards at 24 CFR 85.36 and for non-profit organizations at 24 CFR Part 84;
- HOME Program Conflict of Interest Provisions at 24 CFR 92.356; and,
- Debarred, Suspended or Ineligible Contractors at 24 CFR Part 5.

Environmental:

- National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58.

Lead Based Paint:

- Section 1012 and 1013 of the Residential Anti-Lead Based Paint Hazard Reduction Act of 1992, which is Title X of the Housing and Community Development Act of 1992 and implementing regulations at 24 CFR Part 35.

Acquisition and Relocation:

- Uniform Relocation Act (URA)
- Section 104(d) of the Housing and Community Development act, known as the Barney Frank Amendments

Financial Management:

- 24 CFR Part 85 ("Common Rule") and for non-profit organizations see 24 CFR Part 84;
- Federal OMB Circular A-133
- Federal OMB Circular A-87

Housing:

- The Truth in Lending Act (Regulation Z);
- Title I Consumer Protection Act (PL 90321);
- Construction Industry Licensing Board Act (O.C.G.A. Section 43-14-1, et seq.);
- Georgia Industrialized Building Act of 1982, As Amended

(O.C.G.A. Title 8, Chapter 2, Article 2, Part 1 “Industrialized Buildings”; Part 2 Manufactured Housing [Mobile Homes]);

- Mandatory State construction codes, as well as the Georgia State Energy Code;
- Construction and Safety Standards at 24 CFR 3280 for new manufactured housing; Senate Bill 423 Regarding Handicapped Accessibility Requirements; and,
- Georgia Fair Lending Act

General:

- Title II of the National Affordable Housing Act of 1990, As Amended;
- 24 CFR Part 92, HOME Investment Partnerships Program;
- 24 CFR Part 5 A, 5.105, Other Federal Requirements; and
- Title 50, Chapter 18, Article 4, Official Code of Georgia, Georgia Open Records Act.

Policies:

DCA has implemented the following policies governing the program’s implementation:

Administrative Fees:

DCA will permit an administrative fee for all State Recipients and Sub-recipients to cover eligible costs of administering the program, including:

- Providing citizens with information about the CHIP funded program, including outreach activities
- Preparing a budget and schedule
- Preparing reports and other documents related to program performance
- Office space and utility costs
- Purchasing equipment, insurance and office supplies
- Compliance monitoring
- Resolving audit and monitoring findings

DCA will permit an administrative fee equal to 2% of the total funds awarded for project costs to a State Recipient or Sub-recipient to be used to cover eligible administrative costs. Administrative fees will not be advanced prior to the completion of a Homeowner Rehabilitation or Down Payment Assistance Activity. Administrative Fees will be disbursed to the State Recipient or Sub-Recipient by applying the applicable administrative fee percentage (2%) multiplied by the total amount of funds requested to be drawn for eligible project costs, including Project Delivery Fees. Administrative fees may only be requested at time of the final draw for project-related costs.

*Application Fee
Charged to Homeowners
and Home Buyers*

An application fee may not be charged by any State Recipient or Sub-recipient to a prospective participant associated with any CHIP-financed Homeowner Rehabilitation or Down Payment Assistance Activity.

*Commitment &
Expenditure Deadlines*

All Recipients of SFY2011 CHIP funding must meet the following deadlines:

Down Payment Assistance Activities:

All project funds must be committed and expended within twenty-four (24) months of the date of the State Recipient or Sub-recipients agreement with GHFA.

Homeowner Rehabilitation Activities:

All project funds must be committed within twenty-four (24) months of the date of the State Recipient or Sub-recipients agreement with GHFA.

All funds must be expended within thirty (30) months of the date of the State Recipient or Sub-recipients agreement with GHFA.

Penalties:

Funds of State Recipients and Sub-recipients that fail to meet the stated requirements may be recaptured by DCA at DCA's sole and absolute discretion or may be barred from participation in future funding rounds.

Award Adjustments

State Recipients and Sub-recipients that are approved for an award adjustment for project-related funds will also receive a corresponding adjustment of administrative funds.

*Down Payment
Assistance Requirements*

All Down Payment Assistance Activities utilizing CHIP funds must be used with First Mortgages that comply with the following requirements:

- All First Mortgages must be either (1) a 30-year fixed rate loan or (2) a 32-year fixed rate USDA loan.
- All first mortgages must be originated by a lender located within the county in which the program is operated or a geographically contiguous county. If no such lender is available, the first mortgage must be originated by a Georgia Dream Homeownership Program Participating Lender.
- Interest rate on the First Mortgage may not exceed the current 60-day price for Fannie Mae's 30-year fixed rate mortgage by more than 200 basis points.
- The following fees payable to the Lender:
 - Origination fee of no more than 2.00% of the Georgia Dream First Mortgage Loan amount, if the Georgia Dream First Mortgage is utilized.
 - FHA 203(k) fees to the extent allowed by FHA
- The total of the Origination Fee and the discount points charged by the First Mortgage lender may not exceed more than 2.00% of first mortgage loan amount.
- Customary lender fees for application processing and underwriting may not exceed the aggregate of \$600.00 and may not be based on the size of the loan.
- Closing costs, whether paid by the property seller or the mortgagor, may not exceed the aggregate of the actual amounts expended for the following third party costs:

- title examination;
- title insurance;
- attorney's fees;
- credit reports;
- termite reports;
- tax service fees
- flood certificate fees;
- surveys;
- photographs;
- appraiser's fees;
- filing and recording fees;
- transfer tax and intangible taxes;
- mortgage insurance;
- Georgia Residential Mortgage Licensing per-loan fee (GRMA) in the amount of \$6.50
- express mail and courier fees paid to company other than Lender
- application, processing or underwriting fees, only if paid to an independent third party; and
- Adverse Market Delivery Charge of 0.25% and MyCommunity Mortgage Loan Level Price Adjustment of 0.5625%

DCA reserves the right to issue an update concerning stated limits on allowable fees and cost limits.

All Down Payment Assistance Activities must:

- Be offered to the home buyer as a Deferred Payment Second Mortgage Loan. As such, the loan must not require any regular monthly payments of the home buyer.
- The Applicant may not pay any application, processing, underwriting, or other similar fees attributable to the CHIP-financed Down Payment Assistance second mortgage loan.
- The only fees which may be collected with the Second Mortgage are:
 - Recording fees.
 - Intangible Tax.
 - Georgia Residential Mortgage Act (GRMA) fee in the amount of \$6.50.
- Must require a minimum contribution of \$500 by the home buyer.

Environmental Review – Tier One Review *State Recipients:*

Under HUD requirements, State Recipients are permitted to complete the Environmental Review process as the Responsible Entity. As such, the Environmental Review process may be initiated either (1) prior to the submission of the Application to DCA for funding assistance in order to demonstrate the community's readiness to proceed; or (2) after submission of the Application to DCA, but prior to the announcement of the CHIP award; or (3) after announcement of the CHIP award. If the local government chooses either Option #1 or #2, DCA will not reimburse any costs incurred in preparing the Environmental Review should the local government not receive CHIP funding. However, in all three scenarios, the Environmental Review

process, including DCA approval, must be concluded within sixty (60) days of the effective date of the CHIP Agreement with GHFA. For State Recipients choosing option 2 or 3, the Environmental Review process must be completed and submitted to DCA within forty five days (45) days after entering into the CHIP Agreement with GHFA. DCA will review and provide notice back to the State Recipient within fifteen (15) days of submission in order to complete this sixty day process.

During this period as the Environmental Review process is being completed by the State Recipient and DCA, the State Recipient may initiate activities that have no physical impact on any property proposed to be served. Should any physical impact occur prior to completion of the Tier Two Review (i.e. DCA's issuance of the Notice to Proceed to the State Recipient), all costs associated with the property impacted will not be eligible for CHIP funding assistance under any circumstances at DCA's sole and absolute discretion.

Sub-recipients:

Under HUD requirements, Sub-recipients are not permitted to complete Tier One of the Environmental Review process. DCA will complete its role in Tier One process scope of work on behalf of the Sub-recipient within forty five (45) days of the effective date of the CHIP Agreement with GHFA. DCA will be required to submit its determination to HUD for approval. In general, as guidance only, the HUD approval process takes fifteen (15) days to complete.

During this period as DCA and HUD are completing the Environmental Review process, the Sub-recipient may initiate activities that have no physical impact on any property proposed to be served. Should any physical impact occur prior to completion of the Tier Two Review (i.e. DCA's issuance of the Notice to Proceed to the Sub-recipient), all costs associated with the property impacted will not be eligible for CHIP funding assistance under any circumstances at DCA's sole and absolute discretion.

*Environmental Review –
Tier Two Review*

State Recipients:

Once State Recipients, as Responsible Entities, have completed the Tier One process, an individual project site has been identified, and prior to beginning any work that will have a physical impact on any property proposed to be served, the State Recipient must complete an Environmental Screening Checklist which reviews each of the items on the Statutory Checklist for applicability to the specific property proposed. Any items that are triggered by regulations listed on the Screening Checklist must be addressed in accordance with the appropriate statute. For example, if the property is 50 years of age or older, any activity must be reviewed for its possible effect under the National Historic Preservation Act.

The State Recipient must submit to DCA the Screening Checklist along with all documentation to show how the federal regulation was cleared. Upon review and approval of these items, DCA will then issue a notice to proceed for the project.

During this period as DCA and HUD are completing the Environmental Review process, the State Recipient may initiate activities that have no physical impact on the property proposed to be served. Should any physical impact occur prior to completion of the Tier Two Review (i.e. DCA's issuance of the Notice to Proceed to the State Recipient), all costs associated with the property impacted will not be eligible for CHIP funding assistance under any circumstances at DCA's sole and absolute discretion.

Sub-recipients:

Once Sub-recipients have completed the Tier One process, an individual project site has been identified, and prior to beginning any work that will have a physical impact on any property proposed to be served, the Sub-recipient must complete an Environmental Screening Checklist which DCA will utilize to review each of the items on the Statutory Checklist for applicability to the specific property proposed. Any items that are triggered by regulations listed on the Screening Checklist must be addressed in accordance with the appropriate statute. For example, if the property is 50 years of age or older, any activity must be reviewed for its possible affect under the National Historic Preservation Act.

During this period as DCA and HUD are completing the Environmental Review process, the Sub-recipient may initiate activities that have no physical impact on the property proposed to be served. Should any physical impact occur prior to completion of the Tier Two Review (i.e. DCA's issuance of the Notice to Proceed to the Sub-recipient), all costs associated with the property impacted will not be eligible for CHIP funding assistance under any circumstances at DCA's sole and absolute discretion.

Escrow Fee for Eligible Home Buyers

A State Recipient or Sub-recipient may require a home buyer household to pay a nominal escrow fee to discourage frivolous applications and encourage a home buyer's commitment towards the assistance process. The escrow fee may not exceed \$50, must be identified as part of the State Recipient's or Sub-recipient's program design submitted as part of their original application to DCA for CHIP funds, must be applied toward the home buyer's required contribution at closing, and must be returned to the home buyer if the first mortgage does not close.

Experience Requirement for Administrators

Homeowner Rehabilitation Activities: An Administrator must meet one of the following requirements to be considered an "Experienced Administrator":

1. An Administrator must have successfully closed out one CHIP or Community Development Block Grant (CDBG) grant in which Homeowner Rehabilitation was an activity.

OR

2. Have entered into a contract with an Administrator who has successfully closed out one CHIP or CDBG grant in which Homeowner Rehabilitation was an activity. If this provision is utilized, the consulting contract must have provisions to train the staff

of the inexperienced Administrator on the administration of the CHIP funded activities. An inexperienced entity will only be permitted to utilize this qualifying criterion in a single instance for Homeowner Rehabilitation, regardless of staff turnover and other circumstances affecting the entity.

OR

3. Have experience on staff of at least one individual designated as the primary lead contact who has at least three (3) years of direct work experience at a state or local Participating Jurisdiction administering the HOME program or a state or local Entitlement Jurisdiction administering the CDBG program. Individuals must meet all Conflict of Interest requirements under the Final HOME Rule.

Down Payment Assistance Activities: An Administrator must meet one of the following requirements to be considered an “Experienced Administrator”:

1. An Administrator must have successfully closed out one CHIP grant in which Down Payment Assistance was an activity.

OR

2. Have entered into a contract with an Administrator who has successfully closed out one CHIP grant in which Down Payment Assistance was an activity. The contract must have provisions to train the staff of the inexperienced Administrator on the administration of the CHIP funded activities. An inexperienced entity will only be permitted to utilize this qualifying criterion in a single instance for Down Payment Assistance, regardless of staff turnover and other circumstances affecting the entity.

OR

3. Have experience on staff of at least one individual designated as the primary lead contact who has at least three (3) years of direct work experience at a state or local Participating Jurisdiction administering the HOME program or a state or local Entitlement Jurisdiction administering the CDBG program. Individuals must meet all Conflict of Interest requirements under the Final HOME Rule.

*Experience
Requirements of Local
Governments*

Homeowner Rehabilitation Activities: A Local Government Applicant must have administered directly and successfully closed out a CDBG or CHIP grant in which Homeowner Rehabilitation was an activity or have entered into a contract with an Experienced Administrator for Homeowner Rehabilitation Activities.

Down Payment Assistance Activities: A Local Government Applicant must have administered directly and successfully closed out a CHIP grant in which Down Payment Assistance was an activity or have entered into a contract with an Experienced Administrator for Down Payment Assistance Activities.

*Experience
Requirements of Non-
profit and Public
Housing Authority
Applicants*

Homeowner Rehabilitation Activities: Nonprofits and public housing authorities seeking to administer a Homeowner Assistance program must either:

1. Demonstrate within their Application that they have completed since April 1, 2006, the new construction or rehabilitation of at least 50% of the number of units proposed under the Application.

OR

2. Have entered into a contract with an Experienced Administrator for Homeowner Rehabilitation Activities. If an Administrator is utilized, the consulting contract must have provisions to train the staff of the non-profit or public housing authority on the administration of the CHIP funded activities.

Down Payment Assistance Activities: Non-profits and public housing authorities seeking to administer a Down Payment Assistance program must either:

- (1) Have at least three (3) years experience administering a down payment assistance program and have previously provided down payment assistance to home buyers that have successfully closed on the purchase of their home. The number previously served must equal at least 50% of the number of home buyers proposed to be served under the Application.

OR

- (2) Have administered directly or entered into a contract with an Experienced Administrator for Down Payment Assistance Activities is an activity. If an Administrator is utilized, the consulting contract must have provisions to train the staff of the non-profit or public housing authority on the administration of the CHIP funded activities.

*General Property
Improvements in
Homeowner
Rehabilitation Activities*

General property improvements outside the scope of bringing a unit up to the state and local standards are generally not permitted unless the purpose of the improvement is to increase the energy efficiency or handicapped accessibility of the unit. The costs of weatherization and handicapped accessibility improvements may not exceed \$15,000 or more than 50% of the total cost of the rehabilitation work.

Home Buyer Education

All households who receive CHIP-financed Down Payment Assistance must complete home buyer education or individualized housing counseling. The State Recipient and Sub-recipient may not charge a fee to the home buyer for the receipt of housing counseling assistance, but may include a fee of up to \$100 as part of the Project Delivery Fees provided for the activity. If a third-party provides such services to the home buyer, the fees charged must not exceed \$100 and the fees charged to and paid by the home buyer must appear on the HUD-1. The amount paid by the home buyer may be counted toward the \$500 minimum household contribution required of all borrowers.

All State Recipients and Sub-recipients must include evidence of the household's completion of the assistance within the activity files maintained for that household.

*Homeowner
Rehabilitation
Assistance Requirements*

All Homeowner Rehabilitation Activities utilizing CHIP funds must not require any contribution for eligible project costs from an eligible homeowner with an income equal to or less than 50% of the Statewide Non-Metropolitan Area Median Income as adjusted for household size and shown below

Household Size	Income Limit Below Which No Owner Contribution Can Be Required
1	\$16,205
2	\$18,520
3	\$20,835
4	\$23,150
5	\$25,465
6	\$27,780
7	\$30,095
8+	\$32,410

*Homeowner
Rehabilitation Activity
Project Cost Exceptions*

The State Recipient or Sub-Recipient may increase the amount of assistance provided to any Homeowner Rehabilitation Activity by up to 20% above the original project cost without seeking approval of DCA for the increased costs. All costs must be meet eligibility requirements under the HOME Final Rule and the CHIP Program Description. Any increases in project cost above 20% of the original project cost must be approved by DCA prior to initiating any work associated with the cost amendment.

Income Verification

CHIP utilizes the Section 8 Annual Income Method of determining annual gross income. All families assisted must be income-eligible based on the anticipated gross income as determined by the Section 8 method of income qualification. It is important to note that HUD has recently expressed concern regarding the use of "review of documentation" provided by applicants for HUD assistance in lieu of "third party verifications." HUD's guidance in their "Technical Guide for Determining Income and Allowances for the HOME Program" does allow under the Section 8 method a review of documentation provided by the applicant, such as pay stubs or IRS returns. While HUD points out that a review of documents may be appropriate for certain types of income and could be used as an alternative to third-party verifications, HUD cautions that a review of documents often does not provide needed information. Specifically, an employed applicant's pay stubs may not provide sufficient information about average number of hours worked, overtime, tips, and bonuses. Therefore, DCA requires third-party verification of income and assets in calculating the anticipated next twelve month gross household income. If there are unusual employment or income sources that prohibit third-party verification, documentation supporting the method of income verification must be contained in the project file.

*Lead-Based Paint –
Visual Assessment*

EPA's lead renovation, repair and painting (RRP) program rule (found at www.epa.gov/lead/pubs/renovation.htm) requires contractors to be certified in lead-safe work practices and training providers to be accredited by EPA. All

Applications must identify as part of the Program Design at least one individual who has completed the on-line certification course for lead-safe work practices. The course may be found on-line at:
<http://www.epa.gov/lead/pubs/training.htm>

NOTE: A copy of the completed certification must be received at DCA by the application due date. Applicants are encouraged to take the assessment class as early as possible as HUD indicates that receipt of the certification may take as long as three (3) weeks.

*Non-Profit Reporting
Compliance with OCGA
50-20*

At time of application, all non-profit Applicants must be in compliance with 50-20-1 through 50-20-8. Successful Applicants must remain in compliance with this section through program closeout. DCA will not fund any activity should the non-profit fall out of compliance with OCGA 50-20 until such time that the entity's compliance has been determined by Georgia Department of Audits and Accounts and, subsequently, the Commissioner of DCA has authorized proceeding with funding of existing commitments.

*Number of Applications
Submitted for CHIP
Funds*

An Eligible Applicant may submit only one application for CHIP funds for Down Payment Assistance Activities and/or CHIP funds for Homeowner Rehabilitation Activities and may not exceed \$300,000 under the SFY2011 CHIP assistance.

Project Delivery Fees

Homeowner Rehabilitation Activities:

The following eligible Project-Related Soft Costs may only be charged to the activity as a Project Delivery Fee:

- Processing of applications from the homeowner
- Appraisals required by HOME program regulations
- Preparation of work write-ups and work specifications
- Lead based paint inspections, risk assessments and clearance testing
- Project underwriting
- Construction inspections
- Project document preparation
- Architectural, engineering or related professional services required to prepared plans, drawings or specifications of a project
- Fees for recordation and filing of legal documents, building permits, attorneys, private appraisals, and independent cost estimates
- Project-specific environmental review
- Costs associated with informing a homeowner about relocation rights or benefits

For pre-1978 stick-built homes or Modular Housing, the total Project Delivery Fee may not exceed \$4,000 of the hard costs of the rehabilitation (including those costs associated with lead). Non-lead related costs are limited to \$2,500 of this total amount.

For stick-built housing or Modular Housing constructed in 1978 or later years, the Project Delivery Fee may not exceed \$2,500 of the hard costs of the rehabilitation.

For all Manufactured Housing, the Project Delivery Fee will be a flat amount of \$750.

All Project Delivery Fees will be disbursed based on submission of invoices or other documentation evidencing the costs incurred. First draw for Project Delivery Fee may be submitted at time of first draw for construction costs. Project Delivery Fees will not be disbursed until the home buyer has closed the deferred payment loan for the CHIP funded assistance.

Down Payment Assistance Activities:

The following eligible Project-Related Soft Costs may only be charged to the activity as a Project Delivery Fee:

- Processing of applications by the home buyer
- Housing counseling and credit repair
- Project underwriting
- Project document preparation
- Project-specific environmental review

The total Project Delivery Fee will be made available as a flat fee of \$1,500 per home buyer assisted. Project Delivery Fees will be disbursed based on submission of invoices or other documentation evidencing the costs incurred. Project Delivery Fees will not be disbursed until after the home buyer has closed on the loan to purchase the home.

Project related soft costs associated with the activity to process and settle the financing of the activity will be included as an eligible project cost associated with the deferred payment loan to the home buyer. These costs include private lender origination fees, credit reports, fees for title evidence, fees for recordation and filing of legal documents, attorney fees, and private appraisal fees.

*Project Delivery Fees –
Environmental*

Sub-recipients:

In preparation of the Environmental Review, DCA will be required to advertise a Finding of No Significant Impact in the newspaper designated as a the legal organ for the community(ies) served by the program. DCA will bill the costs of the advertisement to the Sub-recipient. Payment will be due from the Sub-recipient within 30 days of our billing.

The Sub-recipient may request reimbursement of these fees as a Project Delivery Cost either (1) through a single project for which funds are Committed in IDIS or (2), if the *Atlanta Journal Constitution* is used as the legal organ, may divide out these costs on a per project basis based on the total number of units proposed to be served in the Sub-recipient's Application for CHIP funding. If the second option is selected, the costs assigned to any unit not completed as part of the work will not be reimbursed to the Sub-recipient.

State Recipients:

The State Recipient will incur costs for the Environmental Review, including time spent in preparing the required documentation and advertising the Finding of No Significant Impact. The State Recipient may request reimbursement of these costs as a Project Delivery Cost on a per project basis. The total cost incurred must be divided out on a per project basis based on the total number of units proposed to be served in the State Recipient's Application for CHIP funding. The costs assigned to any unit not completed as part of the work will not be reimbursed to the State Recipient.

Public Notification

Local Government Applicant:

Must provide a resolution of the municipal or county government detailing the proposed program activities, the number of households to be served, the targeted population groups to be served (if any), the addresses of activities (if known), and amount of funds to be requested. No formal public hearing is required.

Non-Profit and Public Housing Authority Applicants Proposing Activities in a Single Jurisdiction:

Must submit a copy of a letter sent to the chief elected officer (and copied to the city/county administrator, if applicable) of the jurisdiction in which the activity will be implemented that details the proposed program activities, the proposed number of households to be served, targeted population groups to be served by the program (if applicable), addresses of activities (if known), and amount of funds being requested. No formal public hearing is required.

Non-Profit and Public Housing Authority Applicants Proposing Activities in Multiple Jurisdictions:

Must submit a copy of a letter sent to the chief elected officer (and copied to the city/county administrator if applicable) of each city and county in which the activity is proposed. The letter must detail the proposed program activities, the proposed number of households to be served, targeted population groups to be served (if applicable), the addresses of activities (if known), and the amount of funds being requested. No formal public hearing is required.

*Recapture Requirements
for Down Payment
Assistance Activities*

During the Period of Affordability, if the borrower sells the unit, refinances, or does not occupy the unit for the full term of the affordability period, DCA will follow the shared net proceeds option identified at 92.254(a)(5)(ii)(A)(3) of the HOME Regulations to determine the amount of funds subject to recapture. If the net proceeds are not sufficient to recapture the full amount of the CHIP investment (excluding project delivery costs) plus enable the homeowner to recover the amount of the homeowner's down payment and any capital improvement investment made by the homeowner since purchase, the Georgia Housing and Finance Authority will share the net proceeds with the homeowner.

In this case, the net proceeds will be divided proportionally as set forth herein by mathematical formula:

A = CHIP amount to be recaptured
B – Amount to Borrower

CHIP Investment less project delivery costs X Net Proceeds = A
((CHIP Investment less project delivery costs) +
(Borrower Investment))

Borrower Investment X Net Proceeds = B
(CHIP Investment less project
delivery costs) + (Borrower Investment)

If there are no net proceeds, repayment of the note is not required.

In the event that the net proceeds exceed the amount necessary to repay both the homeowner's investment and the CHIP Investment (less project delivery costs), the excess proceeds will be paid to the borrower.

This policy applies to both voluntary and involuntary sales.

In the event a first mortgage held by the Habitat for Humanity is foreclosed upon by Habitat for Humanity, DCA will approve a Habitat for Humanity eligible low income substitute mortgagor. In this event, the full affordability period will start over.

*Recapture Requirements
for Homeowner
Rehabilitation Activities*

A percentage of the loan amount for homeowner rehabilitation activities must be forgiven annually in equal installments over the Period of Affordability. Any funds subject to recapture will be paid to the Georgia Housing and Finance Authority unless approved by DCA as noted below.

*Reconstruction and
Visitability*

All reconstruction activities must meet the visitability requirements of 8-3-172 of the Official Code of Georgia.

*Service Procurement
Policy
(Does not apply to
contracts with Regional
Commissions)*

These provisions apply, typically, to contracts with Administrators, engineers, architects and other private consultants. Applicants are advised that CHIP payments for professional services are subject to the "competitive negotiation" requirements of 24 CFR Part 85 (the "Common Rule").

To comply, the Applicant (not the individual or firm proposing to provide services) must:

1. Develop a Request for Proposals (RFP) that includes evaluation factors that indicate the level of importance of each factor selected by the applicant. The RFP could include such factors as the respondent's previous CDBG and CHIP housing experience; qualifications of key personnel; capacity of the respondent's organization; current workload of the respondent; level of services provided; mobility and proximity to project; experience with similar projects; cost to perform services; and the local government's past experience with the applicant. A Request for Qualifications (RFQ) is also acceptable for engineering or architectural services. Contact DCA for assistance.

2. Publicize the RFP or RFQ, most often in the legal organ of the community in which the project/program is proposed. The RFP or RFQ may also be placed in other publications attracting minority and women owned businesses and utilizing other local media, electronic and print, to market and promote contract and business opportunities. The Applicant must allow thirty (30) calendar days for receipt of responses to the RFP or RFQ.
3. Send letter with a copy of the RFP or RFQ to a number of the known professional service providers. When soliciting firms to develop applications/administer projects, RFPs should be sent to at least seven (7) known providers. When soliciting engineering/architectural services, the RFP or RFQ should be sent to at least ten (10) known providers. As a service, DCA maintains a list of professionals who have expressed an interest in responding to RFPs and RFQs on CHIP funded projects (See Administration Manual). DCA does not endorse or select professionals. Selection of any entity through this process is the sole responsibility of the Applicant or Recipient.
4. Negotiate with, preferably at least two (2), respondents to the RFP or RFQ.
5. Prepare documentation that evaluates proposals and establishes reasons (based on criteria in the RFP or RFQ) for selection and contracting and prepare recommendation and proposed contract based on this documentation.
6. Consult with the appropriate attorney of the organizations with your recommendations and proposed contract.
7. Based upon established reasons and attorney's recommendation, obtain full council/commission approval if a local government or board approval, if a nonprofit or public housing authority, and execute contract. Letter(s) thanking unsuccessful respondents for making a proposal should then be sent. Based on evaluation criteria contained in the RFP or RFQ, this letter should state the reasons why the respondent was not selected.

Because CHIP funds cannot be used to pay application development costs, Applicants may (or may not at their discretion) use this procurement process to select professionals for the preparation of an application. Applicants are cautioned, however, only to obligate CHIP funds after a grant is awarded. Initial contracts should only obligate the applicant to compensate for costs of application development. If the professional is selected to prepare the application and provide additional services upon award, then the procurement process outlined above must be utilized.

If an acceptable procurement process was followed within the past 12 months for an Application that is being resubmitted because it was denied within the past 12 months, the Applicant does not need to re-advertise for professional services if they choose to retain the same firm for the same application. If the procurement is more than one year old, a new advertisement and solicitation of RFPs or RFQs is required.

Funding Determination DCA will award CHIP funds based on a statewide competition. All applications will be reviewed by a DCA Housing Review Panel and compared based on the items described below as represented in the Application. Each item will be reviewed and a score provided at DCA's sole and absolute discretion. The maximum score possible is 100 points.

All successful Applicants that receive points within any of the following categories must adhere to that commitment throughout the implementation of the program: Program Locational Characteristics, Match Committed within Application, Activity Proposed, and Program Type Specific Design Elements.

Category		
1. Program Design		50
A. Description of the Program		
B. Evidence of Applicant's Long Term Commitment to Providing Affordable Housing		
C. Evidence of Committed Partnerships to Program		
D. Non-CHIP Resources Brought to Program Design		
E. Application Intake Process Design		
F. Marketing Strategy		
G. Financing Techniques		
H. Program Administration		
I. Construction Management		
J. Evidence of Readiness to Proceed		
K. Evidence of Demand for the Program		
L. Evidence of Cost Controls in Program Design		
2. Program Need		10
The percentage of all persons in all census tracts to be served who are below the poverty line:		
24.34% and Above		10
19.34% to 24.33%		8
14.33% to 19.33%		6
9.33% to 14.32%		4
4.33% to 9.32%		2
4.32% and Below		0
3. Program Locational Characteristics		16
A. The proposed activity received a letter of support from the chief elected official of the city or county designated as a Community of Opportunity where housing is an identified part of their DCA-approved work plan on April 1, 2010.	3	
B. The proposed activity receives a Letter of Support from the designated community lead of a past or present Georgia Initiative for Community Housing participating community.	3	

- C. As part of the program design, 60% of the units to be assisted will be located within one half mile radius of the downtown area designated as a Main Street Community or Better HomeTown community. 2
- As part of the program design, 40% of the units to be assisted will be located within one half mile radius of the downtown area designated as a Main Street or Better HomeTown community. 1
- D. As part of the program design, 60% of the units to be assisted will be located within an established Historic District. 2
- As part of the program design, 40% of the units to be assisted will be located within an established Historic District. 1
- E. All assistance will be provided within a county declared as a Federal Disaster area between April 1, 2008 and June 30, 2010. 2
- F. As part of the program design, 60% of units to be assisted will be located within a DCA certified Economic Opportunity Zone or a locally approved Urban Redevelopment Area. One bonus point will be awarded if 60% of the units will be located within a DCA-approved Revitalization Area. 2
- As part of the program design, 40% of the units to be assisted will be located within a DCA certified Economic Opportunity Zone or a locally approved Urban Redevelopment Area. One bonus point will be awarded if 40% of the units will be located within a DCA-approved Revitalization Area. 1
- G. 50% of the units to be assisted will be located in a neighborhood that meets one of the following characteristics: 2
- A. The targeted neighborhood is within a one-half mile of a rental housing development funded by DCA and placed in service by its owner.
- B. Is within one mile of a CDBG funded infrastructure or public facility grant received from DCA between 2005 and 2009 or undertaken as part of a local jurisdiction's FFY2005 - FFY2009 Consolidated Plan and the Applicant demonstrates that the infrastructure activity will serve 51% or more of the units proposed to be served in the Application.
- C. Three units completed since January 1, 2005 under

either (1) a CHIP or (2) a local entitlement or DCA funded CDBG homeowner rehabilitation program are located within the same neighborhood targeted for assisted.

4. Match Committed within Application

7

The Applicant has secured a firm local commitment of a permanent contribution of match to be provided toward the costs proposed. Match may take many forms; however, in no case may match be provided from the household assisted.

Points will be provided as follows based on the percentage of the Total Award of Project Funds that will be matched locally:

- | | |
|-------------|---|
| • 20% Match | 7 |
| • 15% Match | 5 |
| • 10% Match | 3 |
| • 5% Match | 1 |

5. Past Performance of Applicants

6

Applicant may receive points by meeting either one of two criteria:

- Applicant received at least one CHIP grant funded in the 2006, 2007, or 2008 CHIP application rounds and at least the following percentage of eligible project funds for every award received has been expended by the applicant for eligible projects:

2006 – 100%
2007 – 70.0%
2008 – 40.0%

Note Administrative funds will not be included in this calculation.

OR

- The Applicant has an existing contract with an entity to administer the program and the contracted entity is currently administering CHIP funded programs in other communities where the following percentage of the eligible CHIP project funds allocated to all communities has been expended for eligible projects:

2006 – 100%
2007 – 70.0%
2008 – 40.0%

Note Administrative funds will not be included in this calculation.

6. Activity Proposed: **3**
 Programs that propose that 100% of all activities will be Homeowner Rehabilitation will receive the full allocation of points in this category.

7. Program Type Specific Design Elements: **8**
 Applications will be scored based on only one of the categories below:

Down Payment Assistance Only Activities:

- A. The program design includes a firm commitment by a Georgia Dream Participating Lender to partner with the Applicant to implement the activities proposed. 4
- B. The program design will include post-purchase home buyer education of no less than one year using local or non-CHIP resources. 2
- C. Program will serve a county or city which has received funds from HUD under the Neighborhood Stabilization Program or has received funds from DCA under the Direct Allocation Pool for the Neighborhood Stabilization Program. Points will not be awarded for programs located in jurisdictions that received, but subsequently returned funds to DCA. 1
- D. The program design will set-aside financing to assist at least one household at an income of 60% of the Area Median Income or less. 1

Homeowner Rehabilitation Assistance Activities Only:

- E. The program design of the Applicant sets aside at least 50% of the units to be assisted for units that will be owned by households with income at 50% of AMI or less. 2

OR

The program design provides a preference for the selection of households in which at least one household member is at least 62 years of age at the time of application by the household for assistance.

- F. The program design targets 100% of the assistance to be completed on no more than three city blocks concentrated on a single street and adjacent side streets. 2

- | | |
|--|---|
| G. The program proposed incorporates the use of energy audits in the assessment of all work completed. | 2 |
| H. The program design requires the completion of visitability improvements identified in OCGA 8-3-172 within all units receiving assistance to the extent compatible with the rehabilitation work proposed. The State Recipient or Sub-recipient must document why any identified visitability improvements was not incorporated into the assisted improvements for each home. | 2 |

Multi-Activities Proposed Only

Applications that propose both Homeowner Rehabilitation and Down Payment Assistance Activities under a single CHIP application will be scored on both the Down Payment Assistance Activities Only and Homeowner Rehabilitation Activities Only factors identified within those categories. The higher of the point totals received based on the factor in each category will be assigned as the score in this category. The Applicant will be required to meet all requirements proposed in their Application regardless of which point category is utilized for the purposes of scoring.

Maximum Total Points	100
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Final Ranking:

The points received by each applicant on the rating factors will be totaled and the total scores ranked accordingly from highest to lowest. CHIP awards will be based on this final ranking to the extent funds are available. In case of ties, the applications will be ranked based on the differentiation of points received in the following categories by order of priority:

1. Total Program Need
2. Program Design
3. Match Committed within Application

At its sole and absolute discretion, DCA reserves the right to allocate resources to lower ranked proposals to achieve a better geographical distribution of resources or for any other reasons determined by DCA to be meritorious. Any decision DCA makes, and any action or inaction by DCA in administering, managing, and operating the funding competition, shall be final and conclusive and shall not be subject to any review, whether judicial, administrative or otherwise, and shall not be covered by, subject to, or required to comply with or satisfy any provisions of Chapter 13 of Title 50 of the Official Code of Georgia Annotated, the “Georgia Administrative Procedures Act.”

Duplication of Effort:

DCA reserves the right to reject any application as a result of the proposed duplication of effort within a single jurisdiction if submitted by multiple Applicants under this Program Description. DCA will fund that application that receives the higher point score and may or may not fund any duplicate application receiving a lower score based on DCA's sole and absolute discretion.

Disposition of Applications:

CHIP Award commitments will be forwarded to eligible Applicants whose applications are approved for funding. For the SFY2011 competition, commitments will be announced by September 30, 2010.

Applicants whose programs are denied will be notified of the denial. DCA's decisions regarding awards and denials will be based on the Program Description, the Applicant's Manual, the rating and selection criteria outlined herein, and the final ranking of all applications based on the points awarded to each Applicant. DCA's funding decisions are final and DCA may waive any irregularities consistent with the Program Description.